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- (2) Diplomatic ties between Syria and Lebanon expected to serve to stabilize Middle East

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- (2) Bush administration should assume responsibility to resolve subprime loan crisis

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- (2) Russia must not be allowed to keep troops in Georgia

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Prime Minister's schedule, August 20

NIKKEI (Page 2) (Full) August 21, 2008

11:27

Met Finance Minister Ibuki, METI Minister Nikai, and Economic, Fiscal Policy Minister Yosano, and Chief Cabinet Secretary Machimura at the Kantei. Machimura stayed on.

12:52

Met Deputy Chief Cabinet Secretary Futahashi.

14:30

Cabinet Intelligence Director Mitsuya.

17:02

Met Vice Foreign Minister Yabunaka, followed by Naigai News Chairman Kiyomiya.

18:58

Met former Finance Minister Nukaga, former MLIT Minister Fuyushiba,

former METI Minister Amari and others at his official residence, in the presence of Machimura.

 $4)\ \text{U.S.}$ Ambassador Schieffer urges Japan to continue refueling operation

ASAHI (Page 4) (Full) August 21, 2008

U.S. Ambassador to Japan Thomas Schieffer yesterday called on Liberal Democratic Party (LDP) Secretary General Taro Aso. The Ambassador, referring in the meeting to the Maritime Self-Defense Force's refueling mission in the Indian Ocean, said: "It is very important not only for the U.S.-Japan alliance but also for Japan's relations with the International community." Aso then replied: "We understand the importance of the refueling mission."

Aso indicated that his party was considering different support

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measures instead of simply extending the operation. According the Ambassador, Aso did not mention any specific measures in the meeting.

5) Ambassador Schieffer in meeting with Aso expresses hope for Japan's contributions in addition to refueling mission

YOMIURI (Page 2) (Full) August 21, 2008

Liberal Democratic Party Secretary General Aso met U.S. Ambassador to Japan Thomas Schieffer at party headquarters yesterday to exchange views on an extension of the Maritime Self-Defense Force's refueling mission in the Indian Ocean beyond the expiration of the relevant law. In the meeting, in response to the Ambassador's call on Japan to continue its refueling mission, Aso said: "I have acknowledged the importance of the operation from before."

Speaking before reporters after the meeting, the Ambassador expressed hope for new contributions from Japan aside from refueling, saying: "I hope Japan will also extend contributions in Afghanistan in different forms in addition to the refueling operation." Schieffer said that he would also meet Democratic Party of Japan President Ozawa next month to seek his understanding of Japan's continued mission.

6) Schieffer, Aso share importance of Japan's continued refueling mission in Indian Ocean

NIKKEI (Page 2) (Full) August 21, 2008

Liberal Democratic Party Secretary General Taro Aso met with U.S. Ambassador to Japan Thomas Schieffer at LDP headquarters yesterday. They agreed on the importance of Japan's extension of the Maritime Self-Defense Force's ongoing refueling mission in the Indian Ocean beyond the expiration of the relevant law on Jan. 15. Schieffer said: "I hope Japan will continue to provide the service." Aso replied: "I have acknowledged the importance of the operation," indicating that he will make efforts to have a bill amending the new Antiterrorism Special Measures Law enacted in the next Diet

The ambassador told reporters after the meeting: "The refueling issue is very important from the viewpoint of not only the Japan-U.S. alliance but also Japan's relations with the international community." He added: "I hope Japan will make contributions in a different way in Afghanistan," calling on Japan to boost its support, keeping in mind reconstruction assistance on the ground of Afghanistan.

Asked about the Democratic Party of Japan, which is opposed to an extension of the refueling operation, the ambassador indicated he would continue to seek its understanding, saying: "I would like to meet DPJ President Ichiro Ozawa. I really hope to meet (the new DPJ president) after the party presidential election is over."

7) Aso meets with U.S. envoy

AKAHATA (Page 2) (Full) August 21, 2008

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Liberal Democratic Party Secretary General Taro Aso yesterday met with U.S. Ambassador to Japan Schieffer at LDP headquarters. In the meeting, Schieffer said the Maritime Self-Defense Force's refueling mission in the Indian Ocean is important not only for the Japan-U.S. alliance but also for relations between Japan and the international community. With this, the U.S. envoy expressed strong hopes that the Diet will extend the new Antiterrorism Special Measures Law in its forthcoming extraordinary session. Aso answered, "I understand the importance of this (refueling) operation."

After the meeting, Schieffer clarified to reporters that he wants to meet before long with Democratic Party of Japan (Minshuto) President Ichiro Ozawa as well.

8) Financial Times reports that UK in talks with Japan on purchasing Eurofighter

YOMIURI (Page 2) (Full) August 21, 2008

Chiharu Mori, London

The British Defense Ministry, finding it difficult to implement its contract to purchase the Eurofighter Typhoon, jointly developed by four European countries, due to the nation's tight financial situation, is in talks with Japan and other countries to procure the fighter in place of the UK, the Financial Times reported on August 120.

The Eurofighter has been jointly developed by Britain, Germany, Italy and Spain. The UK has promised to purchase 88 Eurofighter Typhoon jets, in addition to its orders for 144 aircrafts. In response to the UK's informal request, such countries as Japan, Saudi Arabia and India have reportedly shown interests. The talks are still at an early stage. A conclusion would not be reached until next year.

The Eurofighter is classified as an intelligence-gathering aircraft in the selection of the next-generation mainstay combat aircraft for the Air Self-Defense Force. Although the United States' state-of-the-art fighter F-22 Raptor is the leading candidate, there is no prospect for its introduction because the U.S. Congress effectively bans its exports for fear of information leak.

9) Relocation of Iwakuni runway to be postponed

NIKKEI (Page 2) (Full) August 21, 2008

The Defense Ministry announced yesterday that it would postpone completion of the project to relocate the Iwakuni base's runway with the aim of reducing noise and accidents from the end of fiscal 2008 to the end of fiscal 2010. As the reason, the ministry cited the possible delay in the relocation of the Iwakuni human-waste treatment plant in the area in which the runway is to be built.

10) MSDF has been providing fuel free of charge in Indian Ocean; Fuel for Iraq airlift mission purchased from U.S.

TOKYO SHIMBUN (Page 1) (Excerpts) August 21, 2008

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The Self-Defense Forces, which have been providing fuel to naval vessels of the United States and other countries in the Indian Ocean

free of charge, have purchased fuel from the U.S. military for the ASDF airlift mission in Iraq, it was learned yesterday. The generosity of Japan in providing fuel free of charge stands out in the face of its people's suffering from soaring gas prices.

The ASDF, which has dispatched three C-130 transport planes to Kuwait for airlifting supplies to Iraq, has been receiving paid support based on the Japan-U.S. Acquisition and Cross-Servicing Agreement (ACSA). In fiscal 2006, the ASDF paid 126 million yen to the U.S. military for 1,840 kiloliters of aircraft fuel.

Meanwhile, the MSDF, which has been dispatched to the Indian Ocean, provided helicopter and naval vessel fuel on 989 occasions at sea between 2001 and November 2007 in accordance with the Antiterrorism Special Measures Law. The fuel cost totaling 22.4 billion yen was borne by the Japanese government.

Since January 2008, the MSDF has provided fuel worth more than 800 million yen to vessels of seven countries, including Pakistan and France, under the new antiterrorism law (refueling law). This, too, was paid for by the Japanese government.

11) Defense Minister Hayashi plays up Okinawa dialogue policy line

YOMIURI (Page 4) (Full) August 21, 2008

Defense Minister Yoshimasa Hayashi had a meeting with Mayor Yoshikazu Shimabukuro of Nago, the relocation site for Futenma Air Station, in Okinawa yesterday. In the session, the defense chief played up his intention to put high priority on dialogue with local residents, saying: "I want to carry things out while meeting with local residents and realizing the local atmosphere firsthand."

Visiting Okinawa ahead of other places since assuming office, Defense Minister Hayashi repeatedly expressed his desire to build good relations with Okinawa during his stay in the prefecture, which began Aug. 19. Partly because his predecessor Shigeru Ishiba did not set foot in Okinawa during his tenure, Hayashi's stance seems to have been received favorably as an indication that he will place emphasis on Okinawa.

12) Ota certain to be reelected as New Komeito leader

MAINICHI (Page 5) (Excerpt) August 21, 2008

The New Komeito decided yesterday in a meeting of its Central Secretary Committee to hold a convention on Sept. 23 for a party leadership election. It is certain that incumbent Chief Representative Akihiro Ota will be reelected as party head uncontested, since no one else will run.

The term of New Komeito presidency is two years. Ota took office from Takenori Kanzaki in September 2006.

13) Government to finalize economic package possibly on Aug. 29

MAINICHI (Page 2) (Excerpts) August 21, 2008

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The government decided yesterday to hold a meeting of economic ministers at the Prime Minister's Official Residence in preparation for compiling a comprehensive economic package to deal with the recent steep rise in oil and food prices. With the aim of finalizing the package on Aug. 29, the government plans to prepare a draft this week and start coordination with the ruling camp. But the ruling side is seeking a large supplementary budget on the scale of a trillion yen with an eye to a dissolution of the House of Representatives, while Prime Minister Yasuo Fukuda remains cautious about a large extra budget, with the stance of placing importance on both (economic growth and) fiscal discipline. Difficult negotiations are expected on the size of the package.

Included in the package as announced by the government on Aug. 11 are measures to: (1) mitigate people's uneasiness in the face of soaring commodity prices; (2) realize a low-carbon society and promote energy conservation and new energy; and (3) enable smooth adoption of a new pricing system, given rising oil prices. Economy, Trade and Industry Minister Yosano is now engaged in sorting out the proposals made by government ministries and agencies, including a reduction in expressway tolls, assistance for introduction of solar energy generation, and strengthened support for small businesses.

14) Georgian ambassador calls for active involvement of Japan in international efforts

NIKKEI (Page 6) (Full) August 21, 2008

Georgian Ambassador to Japan Ivane Matchavariani held a press conference yesterday, in which he said: "Japan should be involved more actively in international efforts to bring peace and stability in Georgia." The ambassador then pointed out: "It is necessary to prevent Russia from becoming a threatening force again."

15) LDP's Yamasaki meets North Korean officials

ASAHI (Page 4) (Full) August 21, 2008

It has been revealed that Taku Yamasaki, former secretary general of the ruling Liberal Democratic Party (LDP), met on Aug. 19 in Beijing with North Korean officials. Yamasaki visited the North Korean Embassy, although it is not known with whom he met there. He seems to have exchanged views with them on how the latest working-level talks between Japan and North Korea had been conducted, as well as on the method of the DPRK's reinvestigations of its abductions of Japanese nationals.

Yamasaki arrived in Beijing on Aug. 19 to see softball games of the Olympics. He visited the North Korean Embassy in Beijing in July, as well. Asked by reporters about Yamsaki's action, Chief Cabinet Secretary Nobutaka Machimura said yesterday: "I (as a government member) have not heard about it."

NIKKEI (Page 6) (Full) August 21, 2008

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(Seoul, Masanori Yamaguchi)

A spokesman of the North Korean Foreign Ministry lashed out at the U.S.-presented nuclear verification plan on Aug. 20: "We have to reinforce a sense of alarm about the improper demand made by the U.S. for a verification regime that meets the international standard." Korean News Agency (Tokyo) reported the remark the spokesman made in response to a question from the Korean Central News Agency.

SCHIEFFER